



COLORADO

Department of Transportation

Division of Transit & Rail

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TO: Transit & Rail Advisory Committee
FROM: Sophie Shulman, Chief, Office of Innovative Mobility
David Krutsinger, Director, Division of Transit & Rail
DATE: August 14, 2020
RE: Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Phase 2 Distribution for Colorado

Purpose

Updated on distribution of the Phase 2 of CARES Act Funds, approximately \$12 Million in funds.

Action

Information only.

Background

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress, and signed into law by President Trump on March 27, 2020. The Federal Transit Administration (FTA) subsequently announced the apportionments for \$25 Billion of those funds on April 2nd, 2020, across urban, rural, and tribal programs. Colorado received \$325 Million of those funds, with CDOT responsible for distributing nearly \$40 Million to rural transit agencies across Colorado. The remainder was allocated directly to urban and tribal organizations by FTA.

CDOT is distributing the nearly \$40 Million as follows (rounded numbers): 10% (\$4 M) for administrative & statewide efforts, 15% (\$6 M) to intercity & interregional bus network providers per 5311(f) rules, and 75% (\$30 M) to rural transit agencies around Colorado (primarily 5311 recipients). Of the \$30 Million, \$18 Million was released rapidly (May), with time to allow for adjustments on the “phase 2” release of the remaining \$12 Million.

Details

In late June, CDOT released a survey to take a snapshot of the financial status and expectations of transit agencies around Colorado. The survey results were presented at the July meeting. To the positive, transit agencies reported that CARES Act funds have helped sustain employee payrolls (prevent/reduce layoffs or furloughs), maintain service to customers (most at reduced levels, but operating nevertheless), and to be able to pay for personal protective equipment (PPE) for transit operators. Of the 48 responses received on this question, 85% (41) supported the approach used for Phase 1 distributions.

Fifteen percent (15% = 7 responses) indicated that they did not support the same approach for Phase 2 distributions. The following comments from the 15% are shown in Table 1 below.

From the July memo and presentation of survey results, the “average” agency is experiencing approximately a 35% budget impact from COVID, a combination of an average of 12% increase in costs due to sanitization and protective equipment, and a 23% decrease in annual revenues. For rural agencies, the CARES Act funds will cover an average of 28.5%, leaving a deficit of 6.5% not covered by the CARES Act. CDOT presented an option (shown as B - Help the Little Guy) in Table 2. The Transit & Rail Advisory Committee felt that helping the “little guy” was appropriate, but that Option B possibly went too far in that direction. Compromise Allocation “C” proposes an option much closer to the Option A - Flat Allocation that was the starting point back in April. Table 3 presents the staff recommendation to TRAC and the Transportation Commission, the agency-by-agency awards resulting from Option C - Compromise Allocation.

Table 1: Summary and Response to Comments

Comment	Response
Financial concerns extend into calendar 2021	<ul style="list-style-type: none"> • Accepted comment. Extend the use of funds through December 31, 2021
Consider which agencies operated and did not during the early (March - May) period of the pandemic.	<ul style="list-style-type: none"> • Considered, but no action taken. Agencies which were shut down are estimated to have retained 80% of the costs of operating based on fixed costs for payroll, insurance, and utilities. • CARES Act funds reimburse for actual expenses only, which is a controlling factor for the 20% of normal costs which were not expended (fuel, oil) by agencies that were shut down.
Do not award Phase 2 funds if Phase 1 funds have not been expended.	<ul style="list-style-type: none"> • Considered, but no action taken. CDOT found that amount of expenditures were affected by multiple factors unrelated to need: when the agency signed the contract, how quick agencies are to invoice. • CDOT has more stringent controls on regular FTA 5311 funds, contract expiration at December 31, 2020. If these regular funds are un-used, they can be re-allocated to agencies who show continuing need.
Consider urban agencies with CARES Act funding	<ul style="list-style-type: none"> • The Federal Transit Administration (FTA) made separate distributions to urban providers, and CDOT is responsible only for rural recipients of FTA 5311 Funds. • The State of Colorado provided \$1 Million in funding for “Transportation Services for Vulnerable Populations, Including Seniors” and 75% of those funds are proposed for urban FTA 5310 recipients left out of the CARES Act distribution.

Table 2: Allocation Scenarios

Size of Transit Agency	CARES Act as % of Annual Budget			Average Phase 1 + Phase 2 Outcome per Agency using the Compromise Allocation vs. the Flat Allocation
	A Flat Allocation	B “Help the Little Guy”	C Compromise Allocation	
Very Large	28.5%	27%	28%	-\$58,600 or -2% on an average award of \$3,336,400
Large	28.5%	28%	29%	+9,400 or +1% on an average award of \$893,500
Medium	28.5%	34%	30%	+17,100 or +5% on an average award of \$324,800
Small	28.5%	34%	30%	+6,200 or +5% on an average award of \$117,800
Very Small	28.5%	34%	30%	+2,700 or +5% on an average award of \$51,800

Table 3: Agency-by-Agency Awards for C - Compromise Allocation

Phase 2			
Agency	CARES Act	CARES Act	Total Percent
Very Large	Apportionment	Total	Annual Budget
Roaring Fork Transportation Authority (RFTA)	\$ 3,340,714	\$ 8,575,215	28%
Eagle County	\$ 1,387,214	\$ 3,560,814	28%
Summit County (Summit Stage)	\$ 1,153,194	\$ 2,960,112	28%
Aspen	\$ 785,412	\$ 2,016,060	28%
Vail	\$ 584,660	\$ 1,500,752	28%
Mountain Village, Town of	\$ 410,597	\$ 1,053,955	28%
	\$ 7,661,793	\$ 19,666,908	
Large			
Breckenridge, Town of	\$ 510,763	\$ 1,244,716	29%
Steamboat Springs, City of	\$ 427,506	\$ 1,041,821	29%
Snowmass Village, Town of	\$ 408,151	\$ 994,653	29%
Winter Park, Town of	\$ 263,126	\$ 641,232	29%
Durango, City of	\$ 255,856	\$ 623,514	29%
	\$ 1,865,401	\$ 4,545,936	
Medium			
NECALG	\$ 217,227	\$ 505,180	30%
Crested Butte (Mountain Express)	\$ 202,193	\$ 470,216	30%
All Points	\$ 184,490	\$ 429,046	30%
Gunnison Valley Rural Transportation Authority	\$ 178,207	\$ 414,436	30%
Avon	\$ 172,211	\$ 400,490	30%
Glenwood Springs, City of	\$ 163,997	\$ 381,388	30%
San Miguel Authority for Regional Transportation	\$ 137,720	\$ 320,280	30%
Senior Resource Development Agency, Pueblo, Inc. (Pueblo SRDA)*	\$ 21,930	\$ 51,000	30%
Town of Telluride	\$ 110,257	\$ 256,413	30%
Black Hawk-Central City	\$ 81,740	\$ 190,093	30%
	\$ 1,469,972	\$ 3,418,540	
Small			
UAACOG	\$ 56,350	\$ 131,046	30%
Prowers County	\$ 53,316	\$ 123,991	30%
Cripple Creek	\$ 46,827	\$ 108,900	30%
Estes Park	\$ 71,648	\$ 166,623	30%
Clear Creek County	\$ 46,169	\$ 107,370	30%
Lake County	\$ 39,169	\$ 91,092	30%
Neighbor to Neighbor Volunteers	\$ 36,518	\$ 84,925	30%
Bent County	\$ 33,531	\$ 77,978	30%
East Central Council of Governments	\$ 29,057	\$ 67,575	30%
Teller Senior Coalition	\$ 28,613	\$ 66,542	30%
Park County	\$ 11,610	\$ 27,000	30%
Via Mobility Services*	\$ 113,508	\$ 263,973	30%
Disability Services, Inc. (Envida, Amblicab)*	\$ 9,789	\$ 22,764	30%
Western Jefferson County (Via Mobility)*	\$ 74,175	\$ 172,500	30%
SoCoCAA	\$ 116,391	\$ 270,676	30%
Huerfano/Las Animas Area Council of Governments (SCCOG)	\$ 86,525	\$ 201,222	30%
	\$ 853,196	\$ 1,984,177	
Very Small			
Archuleta County	\$ 26,387	\$ 61,263	30%
Dolores County	\$ 25,365	\$ 58,890	30%
Montezuma County	\$ 22,048	\$ 51,189	30%
City of La Junta	\$ 20,126	\$ 46,727	30%
	\$ 93,926	\$ 218,068	

*Rural services only of these largely urban-serving agencies.

Next steps

- Based on TRAC and TC feedback, CDOT will release a Google Form where transit agencies must complete a brief form to allocate funds among administration & operating uses, OR capital uses
- CDOT will create a contract template to amend funds into the original CARES Act contracts
- CDOT will then complete and release contract amendments for signature